

Report in Brief

Date: September 2022

Report No. A-02-20-02002

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

HHS is one of the largest contracting agencies in the Federal Government. In fiscal year 2020, HHS awarded over \$14 billion in contracts in response to the COVID-19 pandemic. Of these contracts, HHS's Administration for Strategic Preparedness and Response (ASPR) awarded 10 contracts between March 30, 2020, and May 28, 2020, totaling nearly \$2.9 billion to supply approximately 198,000 ventilators for the Strategic National Stockpile (SNS) by the end of 2020.

Our objective was to determine whether ASPR awarded and monitored contracts for the production of ventilators in accordance with Federal requirements and HHS policies and procedures.

How OIG Did This Audit

We audited the five highest-dollar value contracts that ASPR awarded for the production of ventilators, totaling approximately \$2.4 billion. We reviewed these firm-fixed price contracts and associated modifications, invoices, delivery documentation, and other documentation maintained by ASPR.

HHS Did Not Fully Comply With Federal Requirements and HHS Policies and Procedures When Awarding and Monitoring Contracts for Ventilators

What OIG Found

ASPR did not consistently award and monitor contracts for ventilators for use in responding to the COVID-19 pandemic in accordance with Federal requirements and HHS policies and procedures. Specifically, ASPR did not establish roles and responsibilities for communication with other emergency response teams, did not always accurately report contract data, and did not always properly monitor contractor performance.

As a result, ASPR could not ensure compliance with applicable Federal requirements or that each contract's terms were economically and efficiently achieved; therefore, ASPR could not determine whether the use of taxpayer funds was reasonable. In addition, the Federal Government may have used inaccurate contract data supplied by ASPR to measure and assess the impact of Federal procurements on Coronavirus Aid, Relief and Economic Security (CARES) Act spending. Finally, ASPR potentially hindered the SNS's ability to meet anticipated ventilator demand in support of the Federal Government's COVID-19 pandemic response.

What OIG Recommends and ASPR Comments

We made a series of recommendations to ASPR, including that it establish written policies and procedures for communicating with federally established emergency response team lead agencies, accurately report contract data, and strengthen its policies and procedures to ensure proper monitoring of contractor performance.

In written comments on our draft report, ASPR did not indicate concurrence or nonconcurrence with our findings and recommendations; however, it stated that it looks forward to utilizing our findings and recommendations to strengthen future response efforts. We encourage ASPR to implement our recommendations in these efforts.